

TENNESSEE GENERAL ASSEMBLY
FISCAL REVIEW COMMITTEE



FISCAL MEMORANDUM

SB 3599 – HB 3816

April 16, 2012

SUMMARY OF AMENDMENT (015998): Adds a new section to the original bill. Requires this act to be repealed on July 2, 2015, if SB2514 – HB 2649 takes effect on June 30, 2015. Upon repeal, the definition of “home school student” in Tenn. Code Ann. § 49-4-902 as it previously existed before the effective date of this act will be reinstated.

FISCAL IMPACT OF ORIGINAL BILL:

Increase State Expenditures - \$54,000/FY12-13/Lottery for Education Account
\$80,000/FY13-14/Lottery for Education Account
Exceeds \$80,000/FY14-15 and Subsequent Fiscal Years/
Lottery for Education Account

FISCAL IMPACT OF BILL WITH PROPOSED AMENDMENT:

Other Fiscal Impact – The fiscal impact from the original bill for FY12-13 through FY14-15 will remain in effect with the repeal provision as prescribed in this amendment.

If this act is repealed on July 2, 2015, there will be a decrease in state expenditures that will exceed \$80,000, which is the fiscal impact of the original bill as implemented in FY14-15 and subsequent fiscal years. This decrease will begin in FY15-16. If this act is not repealed on July 2, 2015, the fiscal impact will continue as described in the original fiscal impact in FY15-16 and subsequent fiscal years.

Assumptions applied to amendment:

- The fiscal impact as stated in the assumptions below shows the impact of implementation without assuming that the act will be repealed on July 2, 2015. It is unknown if SB 2514 – HB 2649 will take effect on July 1, 2015; therefore, it is unknown if this act will be repealed on July 2, 2015.
- The Tennessee Student Assistance Corporation (TSAC) estimates that 12 home school students will be impacted.

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- TSAC estimates in FY12-13, that 80 percent (10) will attend a four-year institution and receive a \$4,000 HOPE scholarship for a total of \$40,000 (\$4,000 x 10). Twenty percent (2) will attend a two-year institution and receive a \$2,000 HOPE scholarship for a total of \$4,000 (\$2,000 x 2). Five students will attend courses in the summer and receive a \$2,000 HOPE scholarship for a total of \$10,000 (\$2,000 x 5).
- The increase in state expenditures from the Lottery for Education Account in FY12-13 will be \$54,000 (\$40,000 + \$4,000 + \$10,000).
- In FY13-14, TSAC estimates that 54 percent of students in FY12-13 will renew their scholarships. Of these, five will attend a four-year institution for a total of \$20,000 (\$4,000 x 5); one will attend a two-year institution for a total of \$2,000; and two will attend summer courses for a total of \$4,000 (\$2,000 x 2). The increase in state expenditures for renewals in FY13-14 will be \$26,000 (\$20,000 + \$4,000 + \$2,000).
- There will also be a new cohort of 12 students in FY13-14, who will receive a total of \$54,000 (same as the FY12-13 cohort).
- The total increase in state expenditures from the Lottery for Education Account in FY13-14 will be \$80,000 (\$26,000 renewals + \$54,000 new cohort).
- The increase in state expenditures from the Lottery for Education Account in FY14-15 and subsequent fiscal years will exceed \$80,000.

CERTIFICATION:

The information contained herein is true and correct to the best of my knowledge.



Lucian D. Geise, Executive Director

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